GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2675
ANSWERED ON:31.08.2007
RELIEF IN SERVICE TAX
Sugavanam Shri E.G.

Will the Minister of FINANCE be pleased to state:

(a) whether any consultation has been held with the Ministry of Commerce and Industry regarding exemption/refund/rebate of Service Tax on certain export related items;

(b) if so, the details thereof; and

(c) the steps taken to augment country's exports by way of retention/exemption of various taxes and duties?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a), (b) and (c): Remission of service tax paid on input services used for manufacture of goods exported is provided under various schemes. Drawback rates prescribed for export goods have factored service tax paid on input services used for export goods. Ministry of Commerce and Federation of Indian Export Organisations have been requested to provide details of taxable services which are not in the nature of input services but could be attributable to export goods and to suggest suitable and verifiable method to refund service tax paid on such taxable services.